

MINUTES OF THE REGULAR MEETING OF THE TRINIDAD CITY COUNCIL
WEDNESDAY, SEPTEMBER 09, 2015

I. CALL TO ORDER

- Mayor Fulkerson called the meeting to order at 6:00PM. Council members in attendance: Miller, West, Fulkerson, Baker, Winnett.
- City Staff in attendance: City Manager Dan Berman, City Clerk Gabriel Adams, City Planner Trever Parker.

II. PLEDGE OF ALLEGIANCE

III. ADJOURNMENT TO CLOSED SESSION

1. Existing/Pending Litigation against the City of Trinidad, Government Code section 54956.9(b) and/or section 54956.95, In the matter of Frame vs. the City of Trinidad et al.

IV. RECONVENE TO OPEN SESSION – No report.

V. APPROVAL OF AGENDA

Motion (Miller/West) to approve the agenda as written. Passed unanimously.

VI. APPROVAL OF MINUTES – No Minutes to approve.

VII. COMMISSIONERS REPORTS – No reports.

City Manager Berman: Highlighted and announced various updates, including:

- Introduced HCSO Deputy Pam Wilcox. She gave a brief law enforcement report.
- City Clerk's office construction update.
- VDU License/Permit issuance report.

VII: PROCLAMATIONS & ANNOUNCEMENTS – None.

VIII. ITEMS FROM THE FLOOR

Kathleen Lake - Trinidad

Complained about events at Town Hall that involve alcohol, noise, and believes they should be required to hire a Hall monitor to police events.

Jim Cuthbertson – Trinidad

Attended a Coastal Commission meeting today in Eureka and spoke publically about the Wagner Street Trail. Staff assured me that the Commission has not given up on the issue, and will likely be going back to court to seek a resolution.

Ben Morehead – Trinidad Coastal Land Trust

Announced the September 17 soft opening of the new Land Trust/Ned Simmons room attached to the Library. Thanked all for their support. Land Trust received land from Green Diamond that will be a critical component of the connection between Scenic Drive and Clam Beach. Land Trust also has been dealing with a variety of issues at Scenic Drive beaches such as fires, indecent exposure, and theft.

Richard Johnson – Trinidad area resident

Reminded the community that the Trinidad Rancheria interchange proposal meetings are public, and encouraged interested parties to attend.

IX. CONSENT AGENDA

1. Financial Status Reports for July 2015.
2. Law Enforcement Report August 2015
3. Declare Public Works Ford 1995 F-150 Surplus and Authorize Staff to dispose of the vehicle at fair market value.
4. Approve Agreement with Streamline Planning Consultants for Implementation of the Clean Beaches Initiative Grant Program.
5. Water Efficient Landscape Ordinance Introduction
6. Authorize Support Letter for SB 593, "The Thriving Communities and Sharing Economies Act"

Motion (Miller/Baker) to approve the consent agenda. Passed unanimously.

X. DISCUSSION AGENDA

1. Award Presentation in Recognition of Quality Community Design.

Mayor Fulkerson explained that Trinidad has an active citizenry in countless ways. Residents care about their community and work to maintain attractive landscaping, housing, retail and community spaces. We presented these original designations in 2011. It is easy to look at what is missing, what doesn't work and where the messes are. It is, therefore, important to recognize Good Work of a community. By doing so, we recognize the talents and efforts of our citizenry. This process would recognize work of citizens to enhance the visual appearance of the village and improve first impressions of visitors.

Trinidad's "Shared Community Vision Statement" emphasizes "Trinidad as a rural, coastal community nestled in the forest along the Pacific...is clean and well-maintained...there are small shops in a quaint rural business district. " A citizen's committee of five members, selected recipients including households and businesses best achieving high standards of design reflecting the values of the Village of Trinidad. This years' panel included: Pattie Fleschner, Jason Richey, John Frame, Allie Lindgren and Susan Tissot.

Award winners were selected as follows:

Commercial Signage: new "Saunders Plaza" installation
Saunders Family and designer Richard Betournay of Expo Art

Native Plant Garden: Trinidad Museum's Native Plant Garden
Jill Mefford, Garden Chair

Coastal Garden: 475 Wagner Street
Holly and John Frame

Vacation Dwelling: 670 Edwards "Harbor Moon"
James & Linda Gonzalez

Secondary Unit: 308 Ocean
Former Owner, Kathy Bhardwaj property
Current owners, Joan and Jim Baker

Fishing Village Exterior Remodel:
543 Ocean, Patricia Jefferis

Retail Store & Landscaping:
WindanSea, Main Street Lore Snell, Casey Van Alten and Barbara Snell property

There was no public comment. *The Council thanked the award recipients for attending.*

2. Discussion/Decision regarding Vacation Dwelling Unit Committee Recommendations and Provide Direction to Staff Regarding a Potential Cap on the Number of VDUs in Trinidad.

City Manager Berman explained that the City Council at their June 30th 2015 meeting directed an ad-hoc VDU Committee composed of Councilmembers Jack West and David Winnett to develop a recommendation for the Council regarding a potential amendment to the existing VDU Ordinance to include a cap on the number of Vacation Dwelling Units (VDUs) in the City. The Committee has held multiple public meetings and worked with staff and the public on this issue. They are now returning to the Council with their recommendations. This is occurring in the context of the interim urgency ordinance the City has put in place to limit any increase in the number of VDUs while this issue is being considered.

In response to neighborhood complaints, a City Ordinance (Ordinance 2014-01) regulating some aspects of vacation rentals was developed over many years, and finally went into effect in 2015. This Ordinance attempts to address concerns over parking, septic systems, noise, water use, and guest behavior via increased licensing requirements and limitations on the number of guests that can be housed in a given unit. The existing VDU Ordinance does nothing to limit the overall number of vacation rentals in Trinidad.

The primary concerns not addressed by the existing Ordinance relate to the impacts to the character and welfare of the community of having such a large proportion of the City's housing stock not available for actual Trinidad residents, and the concern that this trend will continue without regulation limiting it.

Process: At this meeting of September 9th, the Council will consider the VDU Committee Recommendation, receive public input, and provide direction to City Staff. If the Council direction is to continue moving this forward, the next step is for the Planning Commission to consider this item in their public meetings and work towards a recommendation back to the Council. The Council would then approve a final version of the amendment. Once the Council formally adopts, it goes to the Coastal Commission and would take effect when they approve it.

Key Issues: Staff and the Planning Commission will benefit from Council direction on the key issues that need to be addressed in a cap. However that direction does not need to be exact in all details – it could include ranges, or multiple alternatives, or defer to the Planning Commission process to resolve specific issues.

The key issues are presented in table format below, with the VDU Committee's recommendations, and other possible alternatives

| ISSUE | VDU COMMITTEE RECOMMENDATION | POSSIBLE ALTERNATIVES |
|---|---|--|
| Should there be any limit or cap on VDUs? | Yes | Yes or No |
| Cap Details – How many, and what mechanism. | Fixed number in the range of 20 to 30 | % of housing stock Absolute number By zoning type By area of the City (neighborhood) By distance from nearest other VDU Absolute ban |
| Require 'activity' on License? | Yes – 30 to 60 days activity (nights occupied) per year. | Y or N; (City to define 'activity' (x dollars, or x nights of use, or....) |
| License Term | Annual – but renewal guaranteed assuming on-going compliance with the VDU Ordinance | |
| Transferability of Permits | Not Transferable | a) fully transferable, can be moved to another house with updated application, can be bought and sold... b) runs w property, transferable to new owner with change in ownership (via sales or inheritance) c) not transferable – expire upon change in ownership– limited one year license specific to owner and property. |
| If a cap goes into place that is lower than current VDU #, how do we get there? | Attrition – We move towards a lower number as licenses are not renewed, or end with changes in property ownership | a) Gradual via attrition b) Abrupt shift – only issue new cap-based number of licenses at next annual renewal date. This would require developing a process to select who gets a permit. (Based on lottery, or seniority, or...?) |
| How do we manage a waiting list for permits. | No recommendation | Lottery of all interested parties at time of availability. Keep a ranked 'first come first served' list, new parties go on the bottom. |

Councilmember West explained that the VDU Committee consisted of Councilmembers Jack West and David Winnett, with staff assistance from Planner Trevor Parker. The committee's charge was to develop a

recommendation for the Council regarding a potential cap on the number of VDUs in the City. The Committee held public meetings as part of this process and heard a range of perspectives.

The number of VDU's in the City of Trinidad has not been regulated with a Cap. The Committee supports the idea of establishing a cap on the overall number of Vacation Rentals in the City as part of regulating vacation rentals in a manner that allows an important overnight visitor function at the same time as protecting coastal resources, which includes access, recreational opportunities and community character per the Coastal Act.

A. SHOULD THERE BE A CAP? IF SO, BASED ON WHAT, AND HOW MANY?

There were at least seven suggestions for a cap on VDU's, including an outright prohibition in the City, and no cap at all. The rest fit into four basic categories

1. **Based on zoning.** Since there are residential and commercial zoning in the City, it was proposed that rentals be permitted only in the commercial zones. Our committee decided this would leave only small areas of Trinidad open for rentals and most existing VDUs would have to cease. This was not recommended.
2. **Based on a percentage of homes, or parcels with homes.** The next three suggestions were based on a percentage of the number of parcels with homes, not businesses or trailers, in the city. The three suggestions were a 15%, 20% and 25% cap. All three of these suggestions were not recommended due to the extra work created for the City in order to keep track of the percentages.
3. **A fixed number.** The final suggestions were for a number cap. There were three caps offered: 20, 30 and the number of current VDU's at this time. The Committee recommends a cap of between 20 and 30 VDUs in the City of Trinidad. *This is the recommendation we would like to see sent to the Planning Commission.*
4. **Based on Neighborhoods.** Since some neighborhoods have more VDU's at this time than others, a neighborhood cap was considered. To do this, the City would be required to define neighborhoods in the City, and then apply a hard number cap or percent of homes within each neighborhood that could be permitted. This was not recommended by the committee at this time. There will probably be few changes in any neighborhood if the cap is passed. The Council could return to this option as necessary.

Committee recommendation: *A fixed cap of between 20 and 30 VDU's.*

Public comments on whether there should be a cap or not, included:

Kathleen Lake – Trinidad

No VDU's in residential zones. They should only be permitted in commercial zones. Read a long statement that shared personal experiences with rental guests, criticized the city for not enforcing the regulations, and accused rental companies of breaking the rules. Mayor Fulkerson interrupted the speaker and requested she focus her reply on whether there should be a cap or not.

Jim Cuthbertson – Trinidad

I live next door to 2 rentals and have never had a problem. There should be a cap.

Barbara Snell – Trinidad

No cap. This is a waste of time. Rentals bring revenue to this city. Locals don't shop local. The visitors support local businesses. They are our livelihood. Homeowners should be held accountable.

Joe Moran – Trinidad Bay Vacation Rentals

No cap. Absolute number basis. No zone capping.

Jonna Kitchen – Trinidad Retreats

I support a fair and balanced cap of approximately 36 rentals. Concerned with statistics presented, and asked the Council if they were willing to lose \$45,000 + in revenue by lowering the number of rentals to 20-30. We need to get the facts straight.

Tom Davies – Trinidad

I support a cap. Rentals should only be in commercial zones.

Steve Saunders – Trinidad

No cap. I prefer houses with people in them as opposed to having empty homes on the street.

Don Allan – Trinidad area resident

No cap is needed if vacation rentals are only allowed in commercial zones. Arguments in favor of vacation rentals support individual financial interests.

Mike Reinman – Redwood Coast Vacation Rentals

Vacation Rentals are residential uses. 40 is a fair capacity. What about the under-utilized 4-bedroom oceanfront homes with only 1 or 2 people living in them? Maybe a luxury tax should be imposed on them?

Council recommendation by vote:

1. *Yes, there should be a cap.* **Unanimous vote.**
2. *How many?* (West = 30), (Miller = 25), (Winnett = 20-30), (Fulkerson = 20-25), (Baker = 30, but exceptions should be made for owner-occupied VDU's)

B. UNUSED VDU LICENSE/ACTIVITY

The committee feels that if a VDU license is not used for a period of one year, the license should be rescinded. The committee recommends that a VDU must be operated for a period of between 30 and 60 days per year to be considered 'active'.

Committee recommendation: *The Committee recommends that staff gather more information about the best way to track and define 'active' for these purposes, and review the occupancy history of existing VDUs to help inform this decision.*

Public comment on this topic included:

Joe Moran – Trinidad Bay Vacation Rentals

Recommend minimum of 60 days rented to maintain a VDU permit.

Jonna Kitchen – Trinidad Retreats

Recommend 60-90 days activity to maintain a VDU permit.

Kathleen Lake – Trinidad

No activity should be required. No minimum days rented.

Don Allan – Trinidad area resident

Recommend 60 day minimum – if vacation rentals are only permitted in commercial or mixed use zones.

Tom Davies - Trinidad

No activity should be required. No minimum days rented. It should be up to the owners discretion.

Council recommendation: *Minimum nights rented to maintain the license: (West = 45-60 days), (Miller = 45 days), (Fulkerson = 0), (Winnett = at least 30), (Baker = 30-60 with exception made for owner-occupied VDU's).*

C. TRANSFERABILITY

When a home that has a VDU license is sold, there must be a consideration as to what to do with the VDU permit. One consideration was to allow the VDU permit to be sold with the house. This was not recommended because the committee felt it would be very difficult for homeowners who are waiting to open their home as a VDU to obtain a permit. The new home owner would have an advantage over those who have lived in the community for a longer period. The second consideration was to allow a VDU to be passed down to another family member. Both of these were not recommended as it would be more difficult for the City to enforce, more difficult for any new party to have a VDU, and would make it difficult to ever reduce the number of VDUs, since limiting transferability is the least aggressive way to reduce the number of licenses. .

Committee Recommendation: *The recommended method is to not allow transfers of any kind.*

Public comment on transferability included:

Mike Wood – Trinidad area resident

Too devastating for the property value to make permits non transferable.

Christina D'Allesandro – Trinidad

I sold a home on Edwards Street a few years ago. It's for sale now, and it's a hard sell without the VDU permit. Cap at 38 is reasonable, Waiting list ok too. Unsure about transferability.

Jonna Kitchen – Trinidad Retreats

Ocean views bring properties the most value, not vacation rental permits. Permits should be transferable. New owners should have 30 days to comply with the permit. It takes years to establish a customer base in the rental business.

Joe Moran – Trinidad Bay Vacation Rentals

Permits should be transferable.

Don Allan – Trinidad area resident

Not transferable.

Mike Reinman – RCVR

Permits should be transferable.

Kathleen Lake – Trinidad

Not transferable.

Council recommendation: *Unanimous vote for non-transferable licenses.*

D. PROCESS FOR TRANSITIONING TOWARDS THE CAP

If the final cap is set lower than the current number of VDUs, the Committee recommends a gradual 'attrition' approach towards reducing the number of licenses. Existing, active VDUs would be able to renew their annual license (assuming they are in compliance with the Ordinance). The number of licenses would go down when a) property owners chose not to renew a license; b) a licensed property is sold or otherwise changes ownership.

Committee Recommendation: *Gradual attrition approach.*

Public comment for reaching cap included:

Reid Kitchen – Trinidad Retreats

Cap is needed. Focus on the facts. 20-25% VDU ratio. Transferable license.

Council recommendation: *Unanimous vote for the attrition method to reduce the number of licenses.*

E. MANAGING WAIT LISTS: The Committee recognizes that the City will need to maintain a waiting list for folks interested in acquiring a VDU permit. The list will be utilized when the number of VDU licenses falls below the final cap. The Committee did not reach a recommendation on the details of how to set up the waiting list, and leaves that to staff and the Planning Commission to consider.

Committee Recommendation: *Leave it to staff and Planning Commission to consider.*

Public comment on wait lists included:

Joe Moran – Trinidad Bay Vacation Rentals

First come, first serve process is fair.

Jonna Kitchen – Trinidad Retreats

If there's a cap, then density consideration per street should be initiated to determine who gets the next license.

Kathleen Lake – Trinidad

Neighborhood density should be considered. First come, first serve. VDU's only in commercial zones.

Mike Wood - Trinidad area resident

First come, first serve.

Mike Reinman – RCVR

Bid process. Use as a revenue generator.

Council recommendation: *West, Miller, Winnett = First come, first serve with qualified application.*

Baker = Registered Trinidad voters and VDU owner occupied have priority, then first come, first serve method.

Fulkerson = Staff to develop a more sophisticated system.

XIII. ADJOURNMENT

- **Meeting ended at 9:00pm.**

Submitted by:

Gabriel Adams
City Clerk

Approved by:

Julie Fulkerson
Mayor